

Message Text

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R 171320Z SEP 76

FM AMEMBASSY MEXICO

TO USDOC WASHDC

INFO SECSTATE WASHDC 7438

AMCONSUL BELIZE

AMEMBASSY CARACAS

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

AMCONSUL GUADALAJARA UNN

AMCONSUL HERMOSILLO UNN

AMCONSUL MAZATLAN UNN

AMCONSUL MERIDA UNN

AMCONSUL MONTERREY UNN

UNCLAS SECTION 1 OF 2 MEXICO 11900

FOR: BIC/OIM - STZRLING

E.O. 11652: N/A

TAGS: BEXP, MX

SUBJECT: END OF SHOW REPORT: QUALITY CONTROL & MATERIALS TEST
EQUIP. EXHIBITION, U.S. TRADE CENTER, MEXICO CITY, SEPTEMBER 7-10,'76

1. NAME OF EVENT: QUALITY CONTROL & MATERIALS TEST EQUIP.
EXHIBITION.

2. PLACE AND DATES OF EVENT: U.S. TRADE CENTER, MEXICO CITY,
SEPTEMBER 7-10, 1976.

3. PARTICIPANTS: 16 (15 NTM; 1 OTM)

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4. EXHIBITORS: 24

5. FLOOR SALES AT EXHIBITION: \$6,000 (\$6,000 NTM)

6. EXPECTED TO BE SOLD OVER PERIOD OF NEXT 12 MONTHS
AS RESULT OF THIS EXHIBITION: \$923,000 (\$723,000 NTM;
\$200,000 OTM).

7. COMPANIES SEEKING REPS: 7

8. REPS. SIGNED: 2

9. REPS. EXPECTED TO BE SIGNED DURING NEXT 12 MONTHS: 5

9A. LEADS: 29

10. COMPANIES SEEKING JOINT VENTURES OR LICENSES: 0

11. JOINT VENTURES OR LICENSEES SIGNED: 0

12. SALES LEADS: 346

13. REGISTERED ATTENDANCE: 570

14. MARKETING OBJECTIVES SUMMARY:

A. FIRMS FULLY ACHIEVING PRIMARY MARKETING OBJECTIVES: 12

B. FIRMS FULLY ACHIEVING PRIMARY MARKETING OBJECTIVES: 4

C. FIRMS FAILING TO ACHIEVE PRIMARY MARKETING OBJECTIVES: 0

15. COMMENTS:

A. EXHIBITION RESULTS WERE DISTRESSINGLY BAD, WORST IN
FOUR YEAR HISTORY OF USTC. PRE-SHOW INTEREST WAS GREAT,
BUT WAS NEGATED BY THE AUGUST 31 ANNOUNCEMENT OF PESO
"FLOAT" WHICH RESULTED IMMEDIATELY IN AN INCREASE OF
APPROXIMATELY 60 PERCENT IN COST OF IMPORTED GOODS.
ATTENDANCE, SALES AND AGENT INTEREST ALL SUFFERED
SEVERELY. SHOW FOLLOWED WHAT APPEARED TO BE
EFFECTIVE PROMOTION CAMPAIGN USING FLYERS AND
CATALOGS AND VERY NUMEROUS PLACEMENTS IN INDUSTRIAL
MAGAZINES, ASSOCIATION BULLETINS AND BUSINESS RADIO
BROADCASTS. OVERWHELMING RESPONSE TO SEMINAR AND
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POSITIVE REACTION TO 165 KEYMAN CALLS IN MEXICO CITY,
MONTERREY & GUADALAJARA ALSO LED US TO EXPECT LARGE
ATTENDANCE.

BEST LAID PLANS ETC. WERE EFFECTIVELY TORPEDOED BY,
WE BELIEVE, PESO FLOAT. SMALL SIZE OF EXHIBITION AND
LIMITED RANGE OF EQUIPMENT MAY ALSO HAVE CONTRIBUTED TO
SMALL ATTENDANCE AND LOW SALES. USTC POLLING 10 O/O
SAMPLE OF PERSONS ON MAILING LIST WHO DID NOT ATTEND TO

DETERMINE THEIR REASONS FOR LACK OF INTEREST. RESULTS WILL BE REPORTED IN FINAL AIRGRAM.

B. EXHIBITOR REACTION WAS UNIFORMLY FAVORABLE TO EXHIBITION IN SPITE OF POOR IMMEDIATE RESULTS. EXHIBITORS TOOK UNFORTUNATE JUXTAPOSITION OF EXHIBITION WITH PESO FLOAT IN GOOD STEAD AND GENERALLY LOOKED ON EVENT AS USEFUL PROMOTION FOR FUTURE SALES.

C. CAPACITY OF SEMINAR ROOM LIMITED SEMINAR ATTENDANCE TO 110 PERSONS. EFFORT TO SET UP SECOND SESSION TO ACCOMMODATE OVERFLOW FAILED DUE TO INABILITY OF MEXICAN GOVERNMENT SPEAKERS TO ATTEND MORNING SESSIONS. UNSUCCESSFUL SEMINAR ATTENDEE APPLICANTS, ALONG WITH SLECTED KEYMAN, INVITED BY TELEPHONE TO CLOSING NIGHT RECEPTION WHICH ORGANIZED IN ORDER TO HYPO ATTENDANCE AND, HOPEFULLY, SALES. ATTENDANCE ON FINAL NIGHT APPARENTLY BENEFITTED AS IT WAS EXCEEDED ONLY BY OPENING NIGHTS', AND ONE OF ONLY TWO IMMEDIATE SALES WAS TO FRIDAY NIGHT VISITOR.

D. ALTHOUGH EXHIBITION WAS NOT GREAT SALES SUCCESS, INTEREST IN QUALITY CONTROL VERY EVIDENT IN MEXICAN INDUSTRY AND USTC FEELS POOR RESULTS LARGELY DUE TO UNFORTUNATE COINCIDENCE IN TIMING ON SHOW AND PESO FLOAT. THERE IS SOME QUESTION, HOWEVER, ABOUT QUALITY CONTROL (QC) AS SOLO THEME. QC MIGHT BETTER BE INCLUDED IN MORE GENERAL INDUSTRY THMES IN FUTURE.

16. ARTICLE FOR COMMERCE AMERICA

TITLE: PESO FLOAT SINKS MEXICO TRADE CENTER
QUALITY CONTROL SHOW.

ON SEPTEMBER 1 THE GOVERNMENT OF MEXICO UNPEGGED THE PESO FROM ITS 22 YEAR OLD RATE OF 12.50 PESOS TO ONE US DOLLAR. THE NEW "FLOATING" PESO PROMPTLY DROPPED TO 20.60 TO THE DOLLAR. ONE SMALL VICTIM OF THE PESO'S DIFFICULTIES
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WAS THE SEPTEMBER 7-10 QUALITY CONTROL & MATERIALS TEST EQUIPMENT EXHIBITION HEALD AT THE U.S. TRADE CENTER IN MEXICO CITY.

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WITH IMMEDIATE SALES OF A MEAGER \$6,000 AND 12 MONTHS
PROJECTED SALES OF \$923,000, THE EXHIBITION WAS
CLEARLY AFFECTED BY THE UNCERTAINTY WHICH ACCOMPANIED
THE FLOATING PESO AND THE SHARPLY HIGHER PESO COST OF
U.S. EQUIPMENT WHICH WAS THE IMMEDIATE EFFECT.
IN SPITE OF THESE ADVERSE FACTORS, BOTH EXHIBITORS
AND VISITORS EXPRESSED THEIR SATISFACTION WITH THE
EXHIBITION. EXHIBITORS IN PARTICULAR COMMENTED ON THE
HIGH QUALITY OF THOSE IN ATTENDANCE. BARNETT PHILLIPS
III, VICE PRESIDENT, LATIN AMERICA, OF THE AD AURIEMA
DIVISION OF AURIEMA INTERNATIONAL GROUP, INC.,
COMMENTED "THIS WAS AN EXCELLENT SHOW IN THE QUALITY OF
THE PEOPLE IN A TTENDANCE AND THEIR INTEREST IN QUALITY
CONTROL AND THE INSTRUMENTS REQUIRED". AD AURIEMA
SOLD \$4,000 WORTH OF PORTABLE ULTRASONIC DIGITAL
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THICKNESS GAGES OFF THE FLOOR AND PROJECTED SALES OF
\$20,000 OVER THE FOLLOWING 12 MONTHS. MR. HUMBERTO
GARCIA, MANAGER OF CONTROL DE CALIDAD, S.A., WHICH
REPRESENTED AUTOMATION INDUSTRIES, INC. AND URESCO, INC.,
COMMENTED THAT "EXPOSURE TO CLIENTS OF NON-DESTRUCTIVE
TESTING EQUIPMENT AT THE TRADE CENTER WAS EXCELLENT",
REFLECTING HIS FIRM'S \$200,000 IN PROJECTED SALES.

E.B. GRANGER, PRESIDENT OF SATEC SYSTEMS, WHO PROJECTED SALES OF \$30,000 FOR HIS FIRM'S UNIVERSAL TESTING MACHINES, SAID "EFFORT PLACED SEEMED TO RESULT IN PEOPLE INTERESTED IN OUR PRODUCTS. THE FIRST TWO NIGHTS WERE BETTER THAN EXPECTED."

THE LARGE PERCENTAGE OF QUALITY CONTROL AND PRODUCTION MANAGERS AND TECHNICIANS AMONG THE 570 VISITORS CLEARLY UNDERSTOOD THE NEED TO UPDATE THEIR METHODS AND EQUIPMENT AND SAID SO.

ALTHOUGH UNDERSTANDABLY RELUCTANT TO PLACE ORDERS UNTIL THE VALUE OF THE PESO SETTLED DOWN FROM ITS UNACCUSTOMED VOLATILITY, THEY FREQUENTLY REMARKED ON THE SOPHISTICATION AND UTILITY TO THEIR PLANS OF THE EQUIPMENT ON DISPLAY.

REGISTERED VISITORS INCLUDED BUSINESSMEN FROM ECUADOR AND VENEZUELA AS WELL AS FROM EVERY PART OF MEXICO. THE TECHNICAL SEMINAR WHICH ACCOMPANIED THE EXHIBITION PROVED TO BE A VALUABLE ADDITION TO THE EVENT. THE 110 ATTENDEES HEARD TECHNICAL TALKS BY U.S. NATIONAL BUREAU OF STANDARDS OFFICIAL JEFFREY ODOM, BY FIVE REPRESENTATIVES OF THE EQUIVALENT MEXICAN AGENCY, GHE DIRECCION GENERAL DE NORMAS, AND BY SIX U.S. AND MEXICAN INDUSTRY SPEAKERS. SEMINAR SPEAKERS COVERED SUCH TOPICS AS STANDARDIZATION IN THE U.S., MEXICO & INTERNATIONALLY, VOLUNTARY STANDARDS, METROLOGY, GAS CHROMATOGRAPHY, IMPACT TESTING, VIBRATION ANALYSIS, RELIABILITY AND FOOD INDUSTRY QUALITY CONTROL. THE THREE DAY SEMINAR WAS WELL RECEIVED BY ALL IN ATTENDANCE AND THERE WERE MANY REQUESTS FOR MORE SEMINARS ON RELATED TOPICS.

THUS, ALTHOUGH CONCRETE SALES RESULTS WERE SOMEWHAT DISAPPOINTING, THE NEED AND DESIRE FOR IMPROVED UNCLASSIFIED

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QUALITY CONTROL ARE VERY MUCH IN EVIDENCE IN MEXICO. IF MEXICO'S STRATEGY OF FLOATING THE PESO IN ORDER TO ACHIEVE GREATER EXPORTS IN SUCCESSFUL, THE NEED TO MEET EXACTING QUALITY CONTROL STANDARDS IN DEVELOPED MARKETS WILL BE ALL THE MORE URGENT. WHILE THE EXHIBITORS IN THE SEPTEMBER 7-10 EVENT MAY NOT HAVE REAPED GREAT IMMEDIATE REWARDS, THE SEEDS THAT THEY PLANTED COULD WELL BEAR FRUIT FOR MANY YEARS TO COME. (END ARTICLE). THOMPSON

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